CAD 981 174 584 2A-1

THE LAW OFFICES OF

JONES & DONOVAN

A PROFESSIONAL CORPORATION

CENTERPOINTE 6. SUITE 230 19782 MACARTHUR BOULEVARD IRVINE, CALIFORNIA 92715 714-833-8893

FACSIMILE 714-833-7555

January 26, 1994

Art Engel Southwest Marine, Inc. San Diego Division P.O. Box 13308 San Diego, CA 92113-0308

Re: MARAD: "Victory" Ships Letter to EPA

Dear Art:

PETER B. JONES

BRIAN J. DONOVAN

TONI L DEGASPERIN

This is a status report on "progress" with respect to my letter of November 8, 1993 to Ann Hardison of EPA, concerning MARAD's Sale of "Victory" ships for export.

By letter of November 17, 1993 Ms. Hardison advised that the matter had been referred to one Fredrick Chanania in the EPA Office of Sold Waste. I called Mr. Chanania, but was advised that he was on vacation for three and a half weeks. When he returned, he left a message to the effect that he had changed jobs and that the matter had been assigned to one Mike Flynn. Apprently, the matter has worked its way down to a staff person, one Rick Picardi, with whom I spoke today.

Mr. Picardi related that he had been assigned responsibility to investigate the issues in my letter. He was in the process of "pulling together documents" relating to past decisions concerning Navy vessels and talking to persons within EPA concerning the MARAD position. He said that once he had completed his inquiry, and formulated a position, and obtained concurrence at the staff level, the response/position would then be routed through the EPA chain of command up to the General Counsel's office before a formal response would be provided. I asked for an approximate time period when he thought that process would be completed and he said, in substance, that a formal response within three months would be optimistic and as fast as could be expected.

Art Engel January 26, 1994 Page 2

In summary, the matter is not being ignored, but obviously it is not a high priority at EPA. I will continue to monitor this situation.

Very truly yours,

Brian J. Dopovan

BJD:dl

cc: Dana Austin

Bob Bates (703) 979-4593